

The logo for BioGaia is centered on a light blue background with white curved lines. The text "BioGaia" is written in a bold, dark brown, sans-serif font. The "Bio" part is in a slightly smaller font size than "Gaia". A registered trademark symbol (®) is located to the right of the "a" in "Gaia".

BioGaia®

Telephone Conference - 21st of July 2023 09:30

Interim Management Statement Q2 2023

Isabelle Ducellier, CEO
Alexander Kotsinas, CFO



Q2 2023 Executive Summary

- Sales were 315 MSEK (+9%) driven by strong sales growth in Americas
- EBIT 95 MSEK (-6%) and EBIT margin 30% (35%)

Key Events

- 26th of April: BioGaia's results for the first quarter to exceed market expectations
- 27th of April: BioGaia launches Prenatal Care for women before and during pregnancy
- 5th of July: Protectis increases SARS-CoV-2 antibody response in adults

Launches

Distributor	Country	Product
Minapharm	Egypt	BioGaia Protectis drops
Abbott	Colombia	BioGaia Protectis tablets with vitamin D
Agefinsa	Guatemala/El Salvador/Honduras	BioGaia Protectis drops with vitamin D
Abbott	Paraguay	BioGaia Gastrus

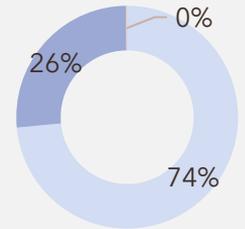
Sales per Segment

- Total sales for the quarter +9% (+2% excluding currency effects)
- Pediatrics sales +0% mainly due to decreased sales of drops in EMEA, mainly in Italy and France
- Adult sales increased with 53% thanks to increased sales of Protectis Tablets in EMEA (South Africa) and APAC (Hong Kong) and Prodentis in Japan and the US

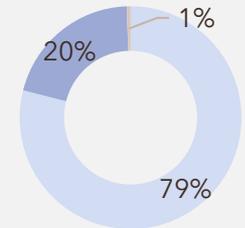
	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
MSEK						
Pediatrics	232	233	0%	538	455	18%
Adult Health	83	54	53%	140	115	21%
Other	1	1	-54%	4	2	116%
Total	315	288	9%	681	572	19%

Sales per Segment

Q2 2023



YTD 2023



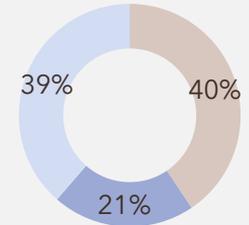
Sales per Region

- **EMEA:** sales decreased with 1% mainly in Italy, France and Turkey. Sales decreased due to high comparables in the same quarter last year and some inventory build-up for some distributors in Q4 2022
- **APAC:** sales increased with 3%. Sales was negatively affected by periodisation of orders to China
- **Americas:** sales increased with 28% mainly in BioGaia USA, Canada and Mexico

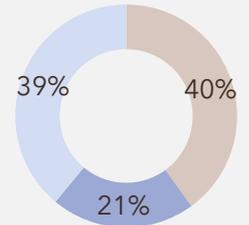
	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
MSEK						
EMEA	128	130	-1%	271	280	-3%
APAC	65	63	3%	146	110	33%
Americas	122	95	28%	264	182	45%
Total	315	288	9%	681	572	19%

Sales per Region

Q2 2023



YTD 2023



Gross Margin per Segment

The gross margin continues to be negatively affected by increased costs of goods but increased to 72% compared to 71% one year ago.

BioGaia has implemented price increases and will continue to do so

	Q2 2023	Q2 2022	YTD 2023	YTD 2022
MSEK				
Pediatrics	74%	73%	74%	73%
Adult Health	67%	63%	65%	65%
Total	72%	71%	72%	71%

Alexander Kotsinas, CFO

Financials



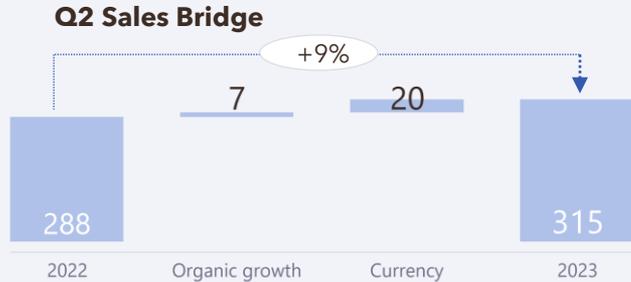
Q2 Financials

- Revenues were 315 (288) MSEK, +9% growth
- EBIT was 95 (101) MSEK (-6%)
- EBIT margin of 30% (35%)
- Earnings per share were 0.80 (0.78) SEK
- Operating cash flow at 105 (87) MSEK

Net sales and EBIT margin (%)



Sales Bridge



MSEK	Q2	Change	YTD	Change
2022	288		572	
Organic growth	+7	+2%	+62	+11%
Currency	+20	+7%	+47	+8%
2023	315	+9%	681	19%

Operating Expenses (OPEX)

OPEX +26% (+25% excluding adjustments)

- Sales costs increased due to increased sales and marketing activities
- R&D costs increased due to higher costs of clinical studies during the period
- Admin Costs increased due to costs related to terminating lease for Lund office
- Due to currency effects, Other OPEX at -8,5 MSEK compared to -14,2 MSEK one year ago

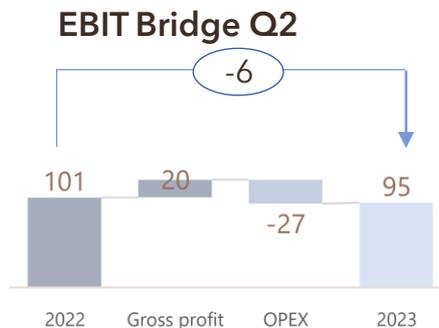
MSEK	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Sales and Marketing	-89.7	-83.2	8%	-177.8	-155.3	15%
Research and Development	-38.8	-27.9	39%	-57.5	-52.8	9%
Administration	-11.4	-7.8	47%	-21.1	-18.8	12%
Other OPEX	8.5	14.2	-41%	10.5	15.3	-31%
TOTAL OPEX	-131.4	-104.6	26%	-245.9	-211.6	16%
TOTAL OPEX excluding adjustments ¹	-132,7	-106,0	25%	-244,8	-208,3	18%

¹ restructuring costs and costs for evaluation of acquisition candidates

Profit and Loss Statement

- Sales +9% and +2% excluding currencies
- OPEX +26%
- EBIT -6% and EBIT Margin 30%
- Adjusted EBIT decreased by 6% and Adjusted EBIT Margin 30%

MSEK	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Sales	315	288	9%	681	572	19%
Gross profit	226	206	10%	489	408	20%
- percentage of revenues	72%	71%		72%	71%	
OPEX	-131	-105	26%	-246	-212	16%
EBIT	95	101	-6%	243	197	24%
- percentage of revenues	30%	35%		36%	34%	
Adjusted EBIT	94	100	-6%	244	200	22%
- percentage of revenues	30%	35%		36%	35%	
Profit after tax	81	79	3%	196	155	27%
EPS	0,80	0,78	3%	1,95	1,53	27%



Cashflow

- Cash Flow from Operating Activities increased with 20% to 104.6 (87.3) MSEK due to increased interest income and improved positive changes in Working Capital
- Cash Flow for the period at -216 (-225) MSEK
- Cash at the end of the period at 1 370 MSEK

MSEK	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Cash flow from operating activities before changes in net working capital	83	74	12%	205	155	32%
Changes in working capital	22	13	64%	-2	25	-108%
Cash flow from operating activities	105	87	20%	203	180	13%
Cash flow from investing activities	-25	-9	179%	-26	-14	86%
Cash flow from financing activities	-296	-303	-3%	-299	-306	-2%
Cash flow for the period	-216	-225	-4%	-122	-139	-12%
Cash at the end of period	1 370	1 356	1%	1 370	1 356	1%

Balance Sheet

MSEK	30 Jun 2023	31 Dec 2022
Total non-current assets	438	416
Total current assets	1719	1797
TOTAL ASSETS	2 157	2 214
Total equity	1 884	1 972
Total non-current liabilities	42	64
Total current liabilities	218	165
Deferred tax liability	13	13
TOTAL EQUITY AND LIABILITIES	2 157	2 214

Concluding Remarks

Isabelle Ducellier, CEO



Conclusion

- With a Q2 at +9% in sales, after Q1 at +29% , we end up with a first half at a very satisfactory 19%. Even if EMEA has slowed down at -3% after an exceptional year 2022, Americas +45% and APAC +33%
- This result supports the continuation of our strategy initiated in 2019 to build a global probiotics brand for the family (pediatrics +18%, adult +21%) through omni channel route to market. Being consumer centric structurally changed our way of working . Both our 6 direct markets (US, UK, Canada, Japan, Finland and Sweden) and our e-commerce development in US, Canada ,Japan, Germany , and UK are key contributors to this success.
- This is my last report, and I am proud to leave BioGaia well geared to become one of the most trusted probiotics brand. Without ever having compromised on science, we have built a brand selling in 113 markets, overperformed the food supplement market while maintaining an exceptional EBIT aligned with expectations. Our financial situation is strong to seize any opportunities which may arise. Thanks for your long-term commitment

Q&A